HLA Venture Growth Fund (HLAVGF)

December 2022

Fund Features

1. Investment Objective

The objective of the fund is to achieve higher returns than the general stock market by investing into growth stocks which potentially generate more superior returns.

2. Investment Strategy & Approach

This fund focuses on growth stocks listed in Bursa Malaysia and/or in any foreign stock exchanges that provide potentially higher capital gains.

3. Asset Allocation

The fund may invest up to 95% of its NAV in equities.

4. Target Market

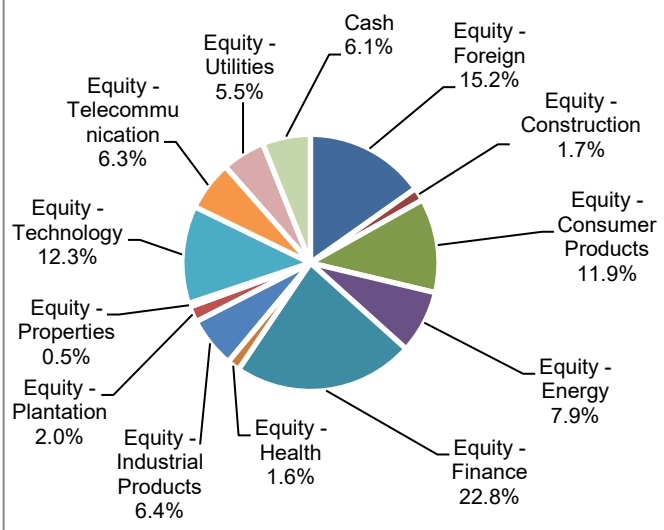
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (30/12/2022)	:RM2.2398
Fund Size (30/12/2022)	:RM377.7mil
Fund Management Fee (effective as at 01/08/2018)	: 1.39% p.a. (capped at 1.50%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	:19 Jan 2000
Benchmark	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	:Daily

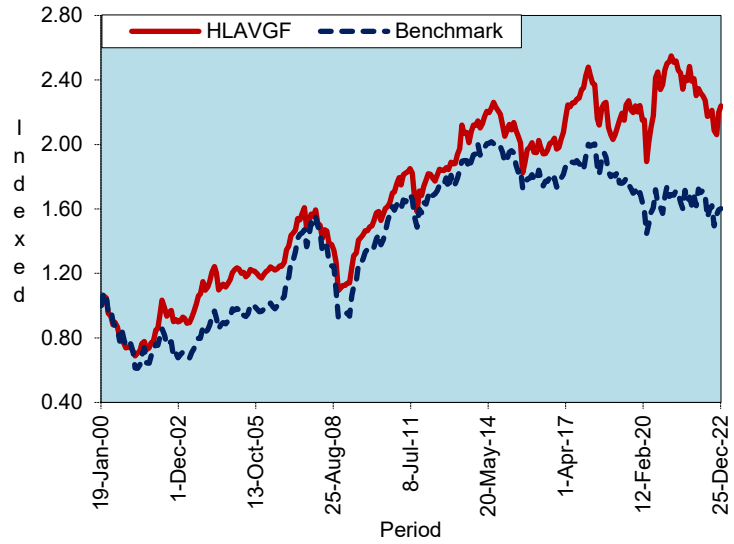
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.

Asset & Sector Allocation of HLAVGF as at 30 Dec 2022



Top 5 Holdings for HLAVGF as at 30 Dec 2022		%
1.	CIMB	8.4
2.	MAYBANK	8.1
3.	RHBBANK	6.3
4.	YINSON	5.3
5.	TENAGA	4.7
	Total Top 5	32.8

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-7.00%	1.96%	-7.00%	-0.09%	-7.66%	18.56%	123.98%
Benchmark*	-4.60%	0.45%	-4.60%	-5.87%	-16.77%	-11.45%	60.22%
Relative	-2.40%	1.51%	-2.40%	5.78%	9.11%	30.01%	63.76%

*Source: Bloomberg

Notice: Past performance of the fund is not an indication of its future performance.

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HLA Venture Growth Fund (HLAVGF)

Market Review, Outlook & Strategy

Global equities in December declined post the recovery seen in November. Sentiment turned cautious following the release of strong US economic data which supports the Fed's hawkish tone and its plans for continued tightening into 2023. The Fed has also revised the terminal rate to 5.1% from 4.6% and lowered the growth forecast for 2023.

However, positive developments in China helped shore-up investors' sentiment. China surprised the market with its abandonment of Zero-Covid policy with an earlier-than-expected reopening. During the Central Economic Work Conference, the tone has also constructively shifted to being supportive of the platform economy together with the easing in regulations for the property sector. Likewise, the diplomatic flurry in recent weeks – including but not limited to the Xi-Biden meeting at the G20 appears aimed at tamping down external distractions and encouraging inbound investment into China.

Domestically and politically, the PM won the vote of confidence and component parties comprising PH, BN, GPS, GRS and Warisan sealed the cooperation agreement in Putrajaya. These were positive developments to help ensure the stability of the Unity Government. The newly appointed government's key focus will be to ensure the country's stability and to address the rise in cost of living (particularly for the B40 segment). The government has also terminated all political appointments to GLCs and bodies. The top three performing sectors in December were plantation, transport and healthcare; while the top three sectors that underperformed were property, construction and telecom.

Average daily trading value decreased to RM1.9b in December from RM2.1b in November. Foreign institutions remained net sellers -RM1.4b (Nov: -RM0.3b) while local institutions stayed as net buyers with +RM1.6b (Nov: +RM0.1m). Local retailers turned net sellers -RM0.2b (Nov: +RM0.1b) in December. Retailers, local institutions and foreign institutions accounted for 27%, 38% and 23% respectively of value traded. FBM KLCI (+0.4% mom) outperformed the FBMSC (-0.1% mom), but underperformed FBM Shariah (+1.4% mom) and FBM Emas (+0.6% mom).

On the global front, investors will continue to keep an eye on the latest developments in the Russia-Ukraine war, global inflation, US bond yield movements, China's reopening progress and global monetary policies. Domestically in January, key events include re-tabling of Budget 2023, first Monetary Policy Committee (MPC) meeting and UMNO's General Assembly. We remain defensive, investing in both value and growth names. Sectors that we continue to favour include selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks). We are neutral on interest rate hike beneficiaries (banks) given the peak in inflation.

Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benchmark	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%	-3.7%
HLAVGF- Gross	10.7%	16.3%	-3.2%	-0.6%	-0.1%	26.0%	-16.1%	12.8%	14.2%	-2.6%
HLAVGF - Net	8.5%	13.6%	-4.4%	-1.9%	-1.5%	22.5%	-16.2%	10.3%	11.7%	-3.8%

Net returns are adjusted for tax and fund management fees.
Those are the actual returns in the past ten (10) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.
Notice: Past performance of the fund is not an indication of its future performance

Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

1. **Market Risk**
   Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

2. **Liquidity Risk**
   Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

3. **Credit Risk**
   This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

4. **Interest Rate Risk**
   The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

5. **Country Risk**
   The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. **Currency Risk**
   This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds. Derivatives are used to hedge against currency risk. The Fund aims to hedge up to 100% of foreign currency exposure using derivatives.

Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

a) having a flexible tactical asset allocation
b) investing in a wide range of companies across different sectors
c) setting prudent investment limits on various exposures
d) taking into account the liquidity factor in selecting securities
e) engaging in the hedging of foreign currency exposure where appropriate

HLA Venture Growth Fund (HLAVGF)

Basis of Unit Valuation

1. The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
2. The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
3. The maximum value of any asset of any fund shall not exceed the following price:
   a) The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
   b) In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date;

   plus any expenses which would have been incurred in its acquisition.
4. To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

Others

HLA Venture Growth Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.

Disclaimer:

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.